FOR MYSORE STATE

DEV (1952) Department.

MS SERIES.

Proposed MS

G.O. NO. 4027

Dated 17-9-1952

[Despatch Abstract.]

Industries Ferro manganese industry starting of

Proposals of Sri. V. Ramakrishna, I.C.S (Retired)

Papers Recorded

Dev. Department.

Letter No. 33873 P&D III/51-1 Dated: 10.4.50

To

The Manager,
The General Sandur Mining Co. Ltd.,
Sandur P.O., Bellary Dt.

Sir,

Sub:- Industries- Manufacture of Ferro-manganese in Sandur- Progress.
Ref:- Your letter No. M/258/49, dated 23.11.49.

I am directed to invite attention to the letter cited forwarding a copy of the scheme for the manufacture of Ferromanganese in Sandur and to enquire whether the G.S.M.C Ltd, propose to pursue the scheme for the manufacture of ferro-manganese alloy in Sandur and if so, whether any progress has been made so far in this direction. I am also to request, that particulars regarding the assistance if any, required in furthering the scheme may be furnished for the consideration of the Govt. at an early date.

Y.F.

II

Letter No. 33873 P&D III/51-2 Dated: 10.4.50

To

The Secretary to the Govt. of India,
Ministry of Commerce and Industry,
New Delhi

Sir,

Sub:- Manufacture of Ferromanganese in Sandur State.
Ref:- 1. Sri S.G. Ramachandran's letter No.I-II-36 (1)/48, dated 15.9.49 in the late Ministry of Industry and Supply, New Delhi.
2. This Govt. Lr.No.94312 P&D III/49-8, dated 15.4.50. addressed to the late Ministry of New Delhi

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I am directed to invite attention to the correspondence cited and to enquire whether any action has been taken to have the scheme of M/s The G.S.M.C. Ltd. for the manufacture of ferromanganese alloy in the Sandur region examined by the technical experts of the Govt. of India and if so,

2

the action taken in the matter may be communicated to this Govt. at an early date.

Y.F.

R-16/57/51

3

THE GENERAL SANDUR MINING COMPANY, LIMITED.

(Incorporated in England)

TELEGRAMS: 'GESANMICO' SANDUR

SANDUR P. O. (Bellary District) S. INDIA.

TO GOVERNMENT 1951 No. 28 APR 1951 DEPUTY SECRETARY TO GOVERNMENT

No. MGD/14/51 Dated 18th April 19 51

Sri. J.M.Lobo Prabhu, I.C.S.,
Secretary to Government,
Government of Madras,
Development Department,
Fort St.George,
MADRAS.

Dev 44712 Rom 23/5

Sir,

p1 quote Your Letter No.33873 P&D III/51-1 dated 10th April 1951.

We have to acknowledge receipt of your letter quoted above and to inform you that it has been sent to our General Manager and Consulting Engineer at our Brussels Office with the request to reply to you direct.

You may expect a reply within 14 days.

Yours faithfully,

MANAGER.

Dev Dept (P&Dm)

b/- 2 cf Further communication may be awaited from the Coy's London

hil (6.5)

xx) mu 2/5/51 — 22/5 — 22/5/51

THE GENERAL SANDUR MINING COMPANY, LIMITED

REGISTERED OFFICE :
Balfour House
119-125, Finsbury Pavement, LONDON E.C. 2

CODES :
BEDFORD Mc NEILL
A. B. C. (5 TH)

..... Encl.

SECRETARY TO GOVERNMENT
30 APR 1951
BY AIR MAIL
DEVELOPMENT DEPARTMENT

Dev W 47831 Proc/51
30 4 51

No 4848

Brussels, 25th April 1951.

32, SQUARE DE MEEUS
Tél. 12.26.17 — Télégr. Gesanmico

Sri J.M.Lobo Prahbu, I.C.S., Esq.,
Secretary to Government,
Development Department,
Fort St George,
M A D R A S

Dear Sir,

p l above

We beg to refer to your letter n° 33.873 P & D, 111/51-1, dated April 10, 1951, referring to :

Manufacture of Ferromanganese in Sandur-Progress.-

There are several reasons on account of which the Scheme we had planned cannot progress.

1.- The Sandur manganese is a low grade ore with which the making of ferro-manganese in one phase is not possible. Economically it would be a failure which we are not prepared to face.

What we had in view was a semi-metal (non-standard poor alloy), which should be concentrated afterwards in adequate works, or be used to secondary purposes.

2.- Even to make this poor non-standard alloy, a suitable quality of coal is required and is not readily and economically available in India.

3.- We have been refused, by the Indian Government the possibility of importing good foreign fuel.

4.- Our Mines'Leases will expire end 1953. We cannot of course, contemplate spending enormous sums of money without serious guarantees of amortization and rentability, which condition requires a long extension of our Leases at moderate terms of royalties, etc.

5.- It is, moreover, not yet fully certain that the Scheme is economically practicable, on account of some suitable raw materials not being at disposal. A cheap electric power is also necessary.

6.- The taxes in India are so high that they discourage any attempt of development under the indispensable direction of qualified engineers.

7.- We should also, before anything, have guaranties against nationalization and against discrimination between foreigners and Indians.

As long as all these conditions are not satisfied, we cannot continue our study.

Yours faithfully,

THE GENERAL SANDUR MINING
Company Limited

Dy. (Prdn) Depn

Letter No. 33873 Prdn/51-3, dated 7th Aug 51

To

The Secy. to the Govt.,
Ministry of Commerce & Industry,
New Delhi. [Enc]

Sir,

Sub: Manufacture of Ferro manganese in Sandur State

Ref: This Govt. letter no. 33873 Prdn/51-2, dated 10.4.51

In continuation of the letter cited, I am directed to enclose a copy of letter no. 4848, dated 25.4.51 received from the G.S.M.C. ltd., Brussels and to request that the action taken by the Govt. of India in the matter may be communicated to this Govt. at an early date. This Govt. are

Sec (P&D III) Dept.

Reminder

Letter No. 33873 P&D III/57 — 4 dated 2-6-51

To

The Secy. to the Govt. of India,
Ministry of Commerce and Industry,
New Delhi.

Sir

Sub: Manufacture of Ferro-manganese in Sandur State.

Ref: This Govt. Lr. No. 33873 P&D III/57-2 & 10.4.51 and Lr. of even number dated 4.5.51.

I am directed to invite attention to the letters cited and to enquire when a reply may be expected.

Yours faithfully,

N.R. 3.7.57.

✓ pp 1-2 Cf.
+ pg cf.

Reminder

Dev (Ptdm)

Letter No. 33873 Ptdm/5-5, dated 4/7/57

To

The Secy. to the Govt. of India,
Ministry of Commerce & Industry,
New Delhi.

Sir,

Sub: Manufacture of ferro manganese in Madras State.

Ref: This Govt. Lr. No. 33873 Ptdm/5-2, dt (illegible) and Letter given under No. 8. dt. 1.5.57.

pp1-2 above
& p9 above

I am directed to enquire when a reply may be expected.

27-7-57

No.Eng.Ind./36(1)/48.
Government of India.
Ministry of Commerce & Industry.

New Delhi, the 18/14 July 1951.

From

D. P. Karnik, Esquire,
Under Secretary to the Government of India.

To

The Secretary to the Government of Madras,
Development Department,
Fort St. George, M A D R A S.

Subject:- Manufacture of Ferro-manganese in Sandur State.

Sir,

I am directed to refer to your letter No.33873 P & D. III/51-3, dated the 4th May, 1951, and to say that from the General Sandur Mining Company's letter dated the 25th April, 1951, to the Madras Government enclosed therewith it seems that the Company is no longer interested in the manufacture of ferro-manganese from Sandur ore for the reasons given by the firm. It would, therefore, appear that the scheme put forward by that Company might not be worth pursuing. The Government of India would be glad to know what reply has been sent to the Company's letter of the 25th April, 1951.

2. As the State Government are aware, a preliminary agreement has been entered into with the Brainard International Company of the U.S.A. for production of ferro-manganese in India. A copy of the Press note issued in this connection is enclosed. There is, however, scope for the establishment of more ferro-manganese plants. In view of this and also in view of the fact that the lease of the Sandur ore is due to expire by the end of 1953 and as the General Sandur Mining Company does not seem to be interested in taking a further lease for manufacture of ferro-manganese, it is considered desirable that the question of granting the lease thereafter to a party or parties interested in the manufacture of ferro-manganese should be examined. I am to request that the State Government may kindly examine this question and let the Government of India have their proposals. It is understood that one Mr. N.Ramakrishna, an ex-officer of the I.C.S. had a scheme for the manufacture of ferro-manganese out of Sandur ore. It is presumed that the Madras Government are aware of his scheme. If so, the Government of India will be grateful if the details of his scheme are furnished to them.

Yours faithfully,

D. P. Karnik

(D. P. Karnik.)
Under Secretary to the Government of India.

Negotiations have been successfully completed between the Government of India and Brainard International Company of U.S.A., for the setting up of a Ferro-Manganese plant to smelt a minimum of 25,000 tons of ferro-manganese annually. The factory it is learnt is expected to be completed by the end of 1952.

2 It is understood that Brainards are prepared if necessary, to provide the entire capital required for the plant. But provision has been made for the participation of Indian capital, if forthcoming, upto the extent of 49 per cent.

3 An Indian Company would be registered for this purpose and the Government of India who will be allotted 10 per cent of the subscribed capital will be represented on the Board of Directors. The Government of India would give all necessary facilities to enable the company to get leases or sub-leases of suitable and adequate manganese ore and coal deposits. Government would also assist the company in acquiring land and obtaining supplies of electric power. In line with Government policy, the company will be given facilities for remittance of profits earned on all the foreign held shares.

4 It is expected that the new Company will be established and preliminary operations will start by September 1951. The technical advisers of the Brainard International Company of U.S.A. would be coming to India shortly. They will then prepare detailed estimates and also settle the question as to whether the plant would have electric or blast furnaces after assessing the availability and cost of power. It is learnt in this connection that the power is expected to be

available....

available from the Hirakud Project by the winter of 1952-53. As soon as the preliminary steps to start mining and manufacturing operations have been taken, the Company would be allowed to export upto 100,000 tons of high grade manganese ore from the deposits under its control.

5 India produces and exports large quantities of manganese ore. There is however at present little exploitation of medium and low-grade ore of which there are large reserves in the country. There is scope for the setting up of a number of ferro-manganese plants. Considering the scope for expansion, it is hoped that the starting of this new enterprise will spur others to similar activity.

6 The manufacture of ferro-manganese in India will increase our foreign exchange earning capacity besides the obvious advantages of starting a new industry which will lead to export of manufactured goods rather than the raw material as at present and also provide employment for a large number of people.

April 14, 1951.

DEVELOPMENT DEPARTMENT.

...

LETTER NO.131149 J/50--11.

...

From

Sri J.M. Lobo Prabhu, I.C.S.,
Secretary to Government.

To

The Secretary to the Government of India,
Ministry of Natural Resources and Scientific Research,
NEW DELHI(with encls.)

Dated, Fort St. George, the 31st August 1951.

..

Sir,

Sub: Mines - Mining ~~x~~ lease - M/s. The General Sandur Mining Company - Renewal of.

Ref: Malhotra's letter No.MII-5732/50 dated 28-12-1950 ~~and~~ and Karnik's letter No.Eng.(Ind) 36(1)48 dated 18.7.1951.

...

I am directed to invite a reference to the correspondence cited and to state that the General Sandur Mining Company, whose case for a renewal of lease has been referred to the State Government with the letter first cited above, holds a mining lease for manganese over an extent of roughly 26 sq. miles in the Sandur State. But as the Company has not reserved to itself a right for a renewal of the lease in the existing lease which is due to expire on 31-12-1951, no question of its renewal under the Mineral Concession Rules, 1949 arises. This Company is reported to have applied to the Collector of Bellary for a renewal of the existing mining lease stating that though it has abandoned the idea of manufacture of ferro-manganese from Sandur Ores, it is interested in obtaining a renewal of the lease for production of mangani-ferous alloy.

Meanwhile, the Rajah of Sandur has represented to this Government that he is also interested in this mining area and that he should be granted a mining lease over the entire area now held by the General Sandur Mining Co.(A copy of his letter dated 27.6.51 is enclosed.). Another applicant for a mining lease over this area is the India Cements, Ltd., Madras which has represented to this Government that it intends to work the mines after installing a ferro-manganese plant.(A copy of this Company's proposal is enclosed for reference.). This Government have not so far heard of any scheme from Sri V.Ramakrishna, I.C.S.(Retired) for the manufacture of ferro-manganese out of the Sandur Ore. An enquiry is being made and a copy of his scheme, if one is available, will be forwarded to the Government of India as soon as it is available.

In their letter second cited, the Government of India have suggested to the State Government that as the General Sandur Mining Co. is not interested in the manufacture of ferro-manganese, the quest on of granting the lease after the present period to a party or parties interested in the manufacture of ferro-manganese might be examined. As stated above, there are now three applicants interested in the mineral development of the area. Out of these, the Rajah of Sandur has represented that the purpose of his application is to start an electro-metallurgical industry in the area while the India Cement Co. has stated that it intends to set up a plant for the manufacture of ferro-manganese.

2. In the course of examination of the question of renewal of the existing mining lease over this area the desirability of utilising the area for develop-

industry came up for consideration of the State Government. They observe that in the report on the geological survey of the Sandur State made in 1948 by Messrs. M.S.Venkatram and N.V.B.S. Dutt, Geologist of the Geological Survey of India, the authors mentioned that Sandur State contained large reserves of manganese ore and also that large reserves of fairly high grade iron ore are found in close proximity to the manganese ore deposits. They also pointed out that as the manganese ores of Sandur are low in silica and phosphorous content, they are well suited for the manufacture of ferro-manganese. As the report points out, there seems to be no doubt that much of the manganese ore exported from Sandur is ultimately converted into ferro-manganese in Europe. In fact, one of the applicants for a mining lease for manufacture of ferro-manganese in this area i.e. the India Cement Co., which has a scheme for establishing a plant for the concentration of manganese ore, is not discouraged by the reason given by the General Sandur Mining Co. for abandoning its scheme for manufacture of ferro-manganese with Sandur Ore. This Company states in its application, "There are some 3 million tons of manganese ore with an average content of 45 to50% and with a manganese iron ratio of 5:1. The Sandur Ores are low in phosphorous and sulphur content and are suitable for electro-smelting. It is quite possible that the foreign Government now in possession (referring presumably to the General Sandur Mining Co.) has concentrated on 'A' grade Ore but presumably there are still some considerable portions of it left. The Sandur Ore is low in silica content. We propose to have a plant for the concentration of the manganese ore even if we have to deal mainly with ore of grade 'B'." There seems to be no doubt therefore that the Sandur Ores in this area offer very bright prospects for developing a ferro-manganese industry. In view of the obvious advantage of establishing a new industry, particularly one with a capacity to increase the country's foreign exchange earning capacity, the Madras Government consider that it will be the best and most speedy use of the Sandur Ores if the area is leased to a party or parties interested in the manufacture of ferro-manganese and are prepared to set up as expeditiously as possible a plant for its development.

The Madras Government have not yet decided the question as to who should be given this lease but, as mentioned above, the General Sandur Mining Co. have not earned any right for a renewal of the existing lease under its terms. This applicant as well as the other applicants in the field will therefore be treated as fresh applicants under the Rules. As stated above, the area now held under lease by the Sandur Mining Co. is about 26 sq. miles which exceeds the maximum of 10 sq. miles prescribed in rule 35 of the Mineral Concession Rules. In granting a mining lease over this area for manufacture of ferro-manganese, the State Government will be guided by the consideration that preference should be given to one or more parties best qualified and equipped for setting up a plant to develop ferro-manganese industry in this area. These conditions may require a relaxation of the priority rule (Rule 32 of the Mineral Concession Rules) and the rule prescribing 10 sq. miles as the maximum for a mining lease (Rule 35 of the same Rules.) The Government of India will be addressed on these questions in due course after the parties for mining leases in this area have been selected by the State Government.

3. As stated in the previous paragraph, it is the idea of the State Government that these Sandur Ores are developed to the best advantage for manufacturing manganese-ore. In order to ensure that as large an area as possible is developed simultaneously by parties most qualified and equipped for the purpose, it is necessary that the area is sub-divided into suitable plots capable of being leased to two or more parties. A division of this area into such suitable plots has therefore to be made based on considerations that every one of the sub-divided areas should

p.t.o.

provide, as far as practicable, equal facilities in respect of mineral obtainable both in regard to quantity as well as quality, facilities for transport and other advantages. All these points have to be thoroughly examined before the question of leasing the area could be considered. It may also be necessary that schemes for starting ferro-manganese industry in this area should be co-ordinated with any plan which the Government of India may have under contemplation. The State Government have no staff for undertaking such a highly technical work. As the Indian Bureau of Mines has been established for the purpose of advising State Governments in matters relating to the grant of mineral concessions and connected questions, the State Government consider that it would be the proper authority to examine this question and advise them. I am accordingly directed to request that a rperesentative of the Bureau be deputed to inspect the area and prepare plans for working the ores to the best advantage on the basis of the considerations set forth above, so that applications might be invited on the basis of those plans and the area leased to parties best qualified to undertake the work. Any further information required by the Bureau in this connection will be furnished by arrangement through the local officers or otherwise. I am to request in view of its urgency and importance, the Government of India will be pleased to give this matter their early attention.

Yours faithfully,

J.M. LOBO PRABHU,

Secretary to Government.

S.M. 8/9/51

15

Dev (Pro-in) Dept

Letter No. 33873 Pro-in/57-6, dated 20.9.57

To

Sri. V. Ramakrishna, I.C.S. (Retired),
No. 55, Peters Road,
Royapettah, Madras 14

Sir,

Sub: Industries — Ferromanganese industry — Starting of

I am directed to enquire whether you have under consideration any scheme for the manufacture of ferromanganese out of Sandur ores and if so, a copy of such scheme may be furnished to this Govt. at an early date.

Yours faithfully,
for Secretary to Govt.

Collr & DistC
R.I.C.(S)

20/9/57

11

Memo. No. 33873 Pro-in/57-7, dated 20.9.57

Sub: Industries - Ferromanganese industry — Starting of

The DistC is requested to state whether he has recd. any scheme for the manufacture of ferromanganese out of Sandur ores from ~~private enterprises~~ Sri. V. Ramakrishna, I.C.S (Retired), and if so, a copy of the scheme may be forwarded to this Govt. at an early date.

(p.c. dt. 21.9.57 at A & p.6 of f.)

for Secretary to Govt.

do.
The DistC
17/10/57

20/9

V. RAMAKRISHNA, M.A., C.I.E., I.C.S., (RETIRED),
FORMERLY INDUSTRIAL ADVISER &
DEVELOPMENT COMMISSIONER,
GOVERNMENT OF MADRAS.

'PHONE: 86283
"SUNDAR MAHAL"
55, PETERS ROAD
CATHEDRAL, MADRAS 6.

CHAIRMAN:
INDIA SUGAR MILLS ASSOCIATION.
SECRETARY &
MANAGING DIRECTOR:
THE K. C. P. LTD.
ELECTRICALS LTD.
4 OCT 1951

3rd October 1951

Dev 108909 Plan
5/x/51

To

THE SECRETARY TO GOVERNMENT,
DEVELOPMENT (P.&.D.) DEPARTMENT,
Fort St. George
MADRAS.

Sir,

Sub: Industries - Ferromanganese industry - Starting of.

p 23 above Ref: Your Letter No. 33873 P&D III/51-6 dated the 20th September 1951.

Mr. V. Ramakrishna is now in America and is expected back at Madras before the end of this month. He will be sending a reply to you immediately on arrival.

Yours faithfully,

P. A. TO MANAGING DIRECTOR.

Dev (Plan) Dept

N.R. 6.11.51.

5/x/51

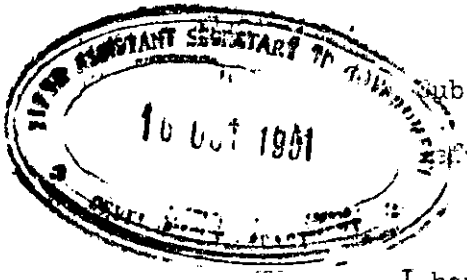
DEPARTMENT OF INDUSTRIES & COMMERCE.
****

No. 7673-43/51, dated 14th Octbr. 1951

Dev 112118 from 16/9

From
The Director of Industries &
Commerce,
Madras.6.

To
The Secretary to Government,
Development Department,
Madras.



Sub: Industries - Ferro-manganese industry - starting of - Main file
Ref: Government memo No. 33873-P&D.III/51-7, Development Department dated 20/9/51.

I have not received any scheme for the manufacture of Ferromanganese from the Sandur ores from Sri V. Ramakrishna, I.C.S.(Retired).

Sd/- A. [illegible]
15/10
for Director of Industries & Commerce.

3/10/51 15/10- Subd. for perusal. The main file is linked with Dev (Prom Sect) 'J' section file and subd. to officers. Sri. V. Ramakrishna 3Prom/51 himself has been asked about his scheme and as he is now on linked with 1316/Dev/J/51 foreign tour, his reply is awaited till 5.11.51. No action of Sects to officers appears therefore called for on this. May be added to the

main file on its receipt from T' Section.

Dev (P&D III) Dept

Letter No. 33873 P&D III/51- dated

To

Sri V. Ramakrishna, I.C.S., (Retired),
No. 55, Peters Road,
Cathedral, Madras-6.

Sir,

Sub. Industries - Ferromanganese industry.
Starting of

Ref: (i) This Govt. Lr. No. 33873 P&D III/51-6 dt 20.9.51
(ii) Your Lr. dt 3.x.51.

I am directed to enquire, when a reply may be expected to this Govt. letter cited.

Rem: 6.12.51.

Mr. Ramakrishna to be requested returned. Letter on 15/11/51.

15/11/51.

X 20

Reminder

Dev (P&D III) Dept.

Letter No. 33873 P&D III/51-8 dated 15-X-51

Pl. issue Os 15x15 ⇒ Orders ◄ ¶ 1 above

To

Sri N. Ramakrishna, I.C.S. (Retd.)
No. 55, Peters Road,
Cathedral, Madras-6.

Sir,

Sub: Industries - Ferro-manganese Industry - Starting of.

Ref: (i) This Govt. Lr. No. 338/51 P&D III/51-0 dt 20-7-51 — p23 cf

(ii) X letter dated 3-X-51 from the P.A to the Managing Director — p25 cf

I am directed to enquire when a reply to this Govt's letter cited, may be expected. — X p23 cf

(address at p1 at.

Os 15x15 MM I(III)

N. Rem. 30-11-51.

V. RAMAKRISHNA, M.A., C.I.E., I.C.S., (RETIRED),
FORMERLY INDUSTRIAL ADVISER &
DEVELOPMENT COMMISSIONER,
GOVERNMENT OF MADRAS.

CHAIRMAN:
INDIA SUGAR MILLS ASSOCIATION,
THE ANDHRA CEMENT CO., LTD.,
RADIO & ELECTRICALS LTD., ETC.,

MANAGING DIRECTOR:
THE K.C.P. LTD.

'PHONE: 86283
"SUNDAR MAHAL"
55, PETERS ROAD
CATHEDRAL, MADRAS 6.

INDIA SUGAR MILLS ASSN. 28 NOV 1951

22nd Novr. 1951.

aw127904 Pt 31
23/12/57

To:
The Secretary to Government
Development Department,
Fort St. George,
Madras.

Dear Sir,

Subject: Industries - Ferro-manganese Industry - Starting of.

p 30 above Ref: Letter from the Government of Madras No. 33873 P&D III/51-8 dated 15-11-1951.

---

p 23 above

1 I am glad to be able to inform you that I have made arrangements for the sale of ferro-manganese in the United States of America.

2 I have also arranged for the necessary electric furnaces in Japan.

3 As soon as the Government Electricity Department is in a position to supply 7000 K.W. continuous power at 95% load factor, I shall take up the project if the Government are pleased to entrust it to me.

Yours faithfully,

V. Ramakrishna

Dev (Plan) Dept.

Letter no. 33873/Plan III/51-9, dated 26.11.51.

To

Sri. V. Ramakrishna, I.C.S., (Retired).,
"Sundar Mahal".
No. 55, Peters Road,
Cathedral, Madras. 6.

Sir,

Sub: Industries – Ferromanganese Industry – Scheme

Ref: Your dy. dt. 22.11.51.

I am directed to enquire whether you have worked out any detailed scheme for the manufacture of ferromanganese out of Sandur ores and, if so, a copy of such scheme may be furnished to this Govt. at an early date.

Letter no 33873 Prom/57-10, dated 27 12 57

To

S. V. Ramakrishna, I.C.S. (Retired).
no. 55, Peters Road,
Cathedral, Madras.6.

Sir,

Sub: Industries – Ferro manganese Industry —
Starting of

Ref: (i) Your Lr. dt. 22/11/51. and
(ii) This Govt. Lr. No. 33873 Prom/57-9, dt. 26.11.57.

I am directed to state that this Govt. will be grateful for an early reply in the matter.

Y.T.

The K. C. P. Limited.

(PROPRIETORS OF THE VUYYURU SUGAR FACTORY)

Registered Office: VUYYURU.
Telegraphic "KRUSHNA" VUYYURU.
Railway Station: VIJAYAWADA, (M. & S. M. Ry.)

55, Peters Road,
Cathedral Post,
Madras 6.

11th February 1952.

Ref.

To
The Secretary to the Government of Madras,
Development Department,
Fort St. George,
Madras.

Dw 15995

Sir,

Sub: Industries - Ferro-manganese Industry - Starting of.

Ref: Your letter No. 33873 P & D III/51-10 dated 27-12-'5

We are prepared to undertake the manufacture of ferro-manganese by the Low Shaft Blast Furnace process which was developed by the I.G. Farben Industry during the last World War. The process has been tried by our Japanese Associates, Daido Steel Co., Ltd., Nagoya and found very satisfactory. Daido are the largest electric furnace and steel and ferro-alloy plant builders of Japan. They are prepared to work with us on a partnership basis, investing the necessary capital for their share.

2 We propose to put up a plant to manufacture 25,000 tons of ferro-manganese per annum. As we propose to use the blast furnace gases for the manufacture of cement in the Kurnool District the ferro-manganese plant will be located alongside the Cement factory. This arrangement will reduce the coal consumption of the combined plants to about 200 tons per day. As regards the capitalisation we expect to complete the project for Rs.50,000,00/- 49% of which our Japanese Associates are willing to provide, if the Government of India have no objection to their participation. We can find the balance of the capital partly from our resources and partly from public subscription. In this connection we may be permitted to state that the two Companies floated by us recently viz., The Andhra Sugars Ltd., with a paid-up capital of Rs.20 lakhs and the Krishna Industrial Corporation Ltd., with a paid-up capital of Rs. 10 lakhs have been oversubscribed privately by our existing share-holders and business associates. We do not therefore anticipate any difficulty in raising the necessary capital.

3 We understand that the General Mining Sandur Company's lease expires in 1953. We may be granted a mining lease for the area covered by the lease with the stipulation that we shall use the ore for the manufacture of ferro-manganese. As our annual requirements of the manganese ore will be about 60,000 tons we should be given lease of an area sufficient to enable us to work for about 50 years.

4 We are prepared to depute our Managing Director to discuss any further points on which elucidation is required.

5 We enclose a copy of our latest Balance Sheet and a copy of the latest Madras market report from which it will be seen that our 7½% ordinary shares of Rs. 100/- are quoting at Rs. 248/- and our Rs. 10/- deferred shares are quoting Rs.97-8-0.

P.T.O.

36

6 We may be permitted to point out in this connection that, with the same plant, we can manufacture pig iron. This item of development may be taken up at a later date.

Yours faithfully,
For THE K. C. P. LIMITED,

MANAGING DIRECTOR.

Dev.(P&D III) Dept

Letter No.33873 P&D III/51-11, dated 29.2.52

To

The Secretary to the Govt, of India,
Ministry of Commerce and Industry,
NEW DELHI (with encl)

Sir,

Sub: Manufacture of Ferro-manganese in Sandur.
Ref: Sri D.P. Karnik's letter No.Eng.Ind/36(1)/48, dated 18-7-51.

....

I am directed to enclose a copy of letter dated the 11th February 1952 received from Sri V. Ramakrishna, I.C.S.(Retired), Managing Director of Messrs The K.C.P.Ltd Madras relating to his proposal to set up a Ferro-manganese project in Madras State. I am to request that the State Govt. may be informed of the views of the Govt. of India in the matter at an early date.

Y.F.

Dev (Prom) Dept

Letter no. 33873 Prom/51-12, dated 18.3.52

To

Sri. V. Ramakrishna, I.C.S. (Retired).,
no. 55, Peters Road,
Madras.6.

Sir,

Sub: Industries - Ferromanganese industry - Starting of - Reg: your dr. 8.11.2.52.

I am directed to state that further details of your project for the establishment of a ferromanganese industry in this State may be furnished to the Govt. at an early date.

47

R 1874/52

A

Reminder

Dev (P+D III) Dept

Please

Letter No. 33873 P+D III/51-13 dated 28 3 52

To

The Secy. to the Govt. of India,
Ministry of Commerce and Industry,
New Delhi.

Sir,

Sub: Manufacture of Ferro-Manganese in Sandur.

Ref: (i) Sri D.P. Karmik's Letter No. Eng. Ind/36(1)/48 dt 18.7.51

(ii) This Govt. Lr. No. 33873 P+D III/51-11 dt 29 2/52.

x —

I am directed to enquire when a —do— reply to the letter second cited, may be expected.

YF

R 27/4/52

Dev 33873 Points noted down during discussion with Mr. Venkataraman on 23rd March 1951.

1. Restoration of power-cut to Mills.
2. Cancellation of the extra one hour recess to workers.
3. Free imports of foreign yarn of 60s count and above.
   (At present 80s and above are in OGL)
4. Steel alloy plant in Sandur (Attempts of the Sandur Government in 1946 for the establishment of a Feromanganese electrical plant for the conversion of low grade ore into high grade manganese). Papers in the Development Department.
5. Allotments for April to be kept up atleast on the March allocations level.
6. Future allotments for three months to be 15,400 plus 2,500 (half of the adhocs) on condition that power-cut is resotred and extra hour recess ~~in~~ is cancelled
7. Backlog for Feb-March to be made good.

M.R.S.
P.A.to H.M.(Ind.)
24/3/51-

Action on (1) and (2) has been taken separately.

Action on (3), (5), (6) and (7) can wait J.C.C's report on ~~differencia~~ deficiencies pointed out by T.C and H.M.(I & S).

Z | What is the position regarding (4).

J.M.L
24/3/51.

Ecv (M II)

A copy of the notes may be given to P&D III Section for answering the Secy's query regarding point (4) above.

26.3.51

Secy's query at 'Z' on p. 1 above.

The papers referred to under Item (4) on p. 1 above are put up at (X)

It is submitted that the Government of Sandur (before the merger of the State with the Bellary District) endeavoured to promote in 1946 the establishment of a Ferromanganese electrical plant for the conversion of low grade ore into high grade manganese, which would be easily marketed. Their efforts to get electrical energy from Jog Power Project in Mysore and a large loan from Government of India could not be pushed through as the Government of India after detailed discussions at the Mineral Conference held in 1947 decided to defer the mineral industries for sometime and put them under long-term plans. The scheme was therefore shelved at the preliminery state of investigation. In September 1949, the Govt. of India enquired this Govt. in regard to further development of this project and as there was no further development, India were apprised of the position. As the Govt. of India were themselves collecting the details of the scheme, it was considered that they would address this Govt., if it is ultimately decided to pursue the matter further.

S.S

A would imply that Govt of India expects us to investigate. Mr Venkatraman was under the same impression - How can we revive the investigation

Secretary's observation above:

In Sept. 1949, the Govt. of India, while calling for the views of this Govt. on the proposals put forward by the General Sandur Mining Co. Ltd. in regard to (i) reduction in Rly. freight (ii) levy of an export duty on the manganese ore

and (iii) the formation of an Indo-Belgian Company incorporated in India to undertake the enterprise, full control remaining in Indian hands-the technical and commercial management would however remain in their hands for 25 years—wanted information regarding the progress, if any made by the Sandur Govt. on their proposal to start a project for the manufacture of ferromanganese. As there was no further dev. of this project, the Govt. of India were apprised of the position. Further in regard to the proposal of the General Sandur Mining Co. Ltd. regarding the formation of an Indo-Belgian Company to undertake the manufacture of ferromanganese alloy, this Govt. welcomed the proposal, and India were requested to take necessary steps to have the scheme of the G.S.M.C Ltd. for the manufacture of ferromanganese alloy in the Sandur region examined by their technical experts as early as possible.

Perusal is requested in this connexion to the recorded note of Sri K.G. Menon, the then Secy. to Govt. in the L.F. after attending the preliminary conference held at New Delhi with Sri S.A. Venkataramana and others to discuss the question of location of two new steel works in the country. It is stated that the Govt. of India may give this Govt. a special alloy steel plant, which can be taken up only after India write to this Govt. on this point. Presumably the special alloy steel plant referred to is the ferromanganese alloy project. It would appear from the recorded note that India would send details of the scheme for the establishment of a special alloy steel plant in South India. It is presumed from the Secy's observation on p. 2 above that the Government of India desire this Govt. to move in the matter.

In this connexion, it may be mentioned that it is proposed to address the Govt. of India to examine the possibility of getting an expert under Point Four Programme to study the question of manufacture of iron and steel along with the investigation of lignite deposits now included under President Truman's Point Four Programme; and ferromanganese alloy plant

is an adjunct to the steel industry.

The G.S.M.C. Ltd. have proposed the formation of an Indo-Belgian concern for undertaking the manufacture of ferro-manganese alloy and it is not known what progress they have made in this direction. It is not clear whether they are pursuing this scheme, ~~It is not also known~~ and what would be the nature of assistance they would require from this Govt., if they ultimately decide to start a factory here. It is for consideration whether the G.S.M.C. Ltd. may be asked to state their intentions in regard to their scheme for the manufacture of ferromanganese alloy, the progress, if any they made so far in their scheme and the assistance they may require etc. from the Govt. ~~for~~ For orders.

On receipt of ~~this~~ their reply, the matter may be further pursued and the Govt. of India may be addressed in the matter.

S
4457
We may address GSMC and Govt of India. Draft up

5/e

Orders above. Draft letters are put up.

S. 10/4
9457

Issued as dy. no 33873 Pt/Com/57, d 10-12-57 ~~Pt~~ 1 cf
Issued as dy no 33873 Pt/Com/57-2, d 10-12-57 ~~Pt~~ pp 1-2 cf
From Messrs the GSMC dy no MGD/14/57, d. 18/12/57 p 3 cf
From Messrs the GSMC dy. no 4824, d. 25-4-57 ~~Pt~~ pp 5-7 cf
The letter from G.S.M.C. ~~Ltd.~~ ~~pp 5-7 cf~~ may be perused. The letter may ~~pp~~ perhaps be communicated to India and they may be requested to obtain the action ~~proposed to be~~ taken in the matter. Subject to orders a draft letter is put up

S
3557

3/3

p 9 cf Issued as Ex no 73 P&T/p-2.d 4.5.51
+p.13 cf from fm S(.. no Eng Ind.'36(1)/48.d.18/7/51.

In September 1949, the Govt. of India called for the views of
p1 cf & (X) this Govt. on the proposal of Messrs The General Sandur Mining
Company Ltd, regarding the formation of an Indo-Belgian
Company to undertake the manufacture of ferromanganese,
pp 12-16 ng & (X) in Sandur. This Govt. after examining the proposals, welcomed
the Scheme of Messrs The G.S.M.C. Ltd and requested India
L & mp 34 c.f. & (X) to take necy. steps to have the scheme of the Company
for the manufacture of ferromanganese in Sandur region
examined by their techl. experts as early as possible. While
c.p.p (above discussing the qn of steel alloy plant with the Secy to Govt Sri
M mp 2 above S.A Venkataraman, Secy. to the Govt of India, in March last, it was
pointed out that this Govt may might take action on the qn
of starting a ferromanganese project. As Messrs The G.S.M.C. Ltd
had submitted already proposals to India reg. the formation of an Indo-Belgian
(cf orders mp 1 above Company for the purpose, this Govt addressed both India and the
and pp 1-2 cf G.S.M.C Ltd regarding the further progress made in the matter of
forming an Indo-Belgian Company. The G.S.M.C Ltd stated
pp 5-7 cf that for the reasons mentioned in their letter on pp. 5-7 c.f, their
scheme could not progress. As the requests of the Company in
their letter on pp. 5-7 cf related to India, the Company's
(pp 5-7 cf letter was forwarded to India and they were requested to
+ p.9 cf inform this Govt. of the action taken.

p.13 cf The Govt of India have now stated that from
the letter of the G.S.M.C Ltd, it appears that the Company is
para 1, p 13 cf no longer interested in the manufacture of ferromanganese
from Sandur ore, and that the scheme put forward by the
Company may might not be worth pursuing. India have, however
-do- asked for information regarding the reply sent to the
G.S.M.C Ltd to their letter on pp 5-7 cf. It is also that this
Govt. did not send any reply to the Company to their letter
cpp 9 cf on pp 5-7 cf and as already stated, the letter was communicated
to India since the requests of the Company related to the Govt of I.
This may be explained to India for orders.

9/7/51

In connexion with the manufacture of ferromanganese in India

The Govt of India have observed, that a preliminary agreement has been entered into with the Brainard International Company of the USA for the setting up of a Ferromanganese plant to Smelt a minimum of 25,000 tons of ferromanganese annually. The factory it is reported, is expected to be completed by the end of 1952 The details of the location of the plant are not however mentioned. The Govt of India consider that there is scope for more ferromanganese plants. In view of this and also in view of the fact that the lease of the G.S.R.C.Ltd is due to expire by the end of 1953 and as the G.S.R.C.Ltd does not seem to be interested in taking a further lease for the manufacture of ferromanganese, the Govt of India consider it desirable that the qu. of granting the lease thereafter to a party or parties interested in the manufacture of ferromanganese should be examined. The Govt of India desire that this qu. shd be examined and definite proposals submitted in the matter. In this connexion, it may be mentioned, that with ref to the renewal of the lease of Messrs G.S.R.C.Ltd. the Govt of India have called for the remarks of this Govt and the qu is separately under consideration in 'J' section. A copy of para 2 of India's letter on p 13 c/f may be given to 'J' section for further action with ref to A on p 13 c/f

para 2, p 13 c/f

cf p 15 1 b/f

para 2, p 13 c/f

— do —

Papers in 'J' Sec 13/149 J/50 (7 to initiate)
29/7/50

The Govt of India, have once stated that one Sri. N. Ramakrishna, an ex-officer of the I.C.S had a scheme for the manufacture of ferromanganese out of Sandur ore and if so, they require the details of his scheme. It is submitted that this Govt are not aware of any scheme proposed by Sri. N. Ramakrishna for the manufacture of ferromanganese. Presumably the Govt of India refer to Sri. V Ramakrishna, I.C.S, the late Industrial Adviser to this Govt. It is not known, whether Sri Ramakrishna has a scheme on this project. It is for consideration whether it may be ascertained from Sri Ramakrishna. For orders.

para 2, p 13 c/f

X

A

yes this may be done
29/7/50

It may be mentioned, in this connexion, that one Sri. T.S. Narayanaswami of Messrs India Cements Ltd promised to send a detailed scheme for the manufacture of ferromanganese alloy in Sandur region and the details of scheme is awaited separately. ~~Thus information~~ The details of the scheme after

File 37.246 (Misc) not portrays

— do —

receipt, may be furnished to India. For orders. In view of 'P' a p16 of it is seems to be no harm in sending a copy of 15-16 cf to Sri Narayanaswamy. It is also for consideration whether India may now be informed

that this Govt. are not aware of any scheme proposed by Sri. V. Ramakrishna, I.C.S, ~~and~~ that it is being ascertained from him, ~~Sri~~ and that one Sri. T.S Narayanaswamy of Messrs India Cements ~~Ltd~~ has promised to send a detailed scheme on this project which, on receipt, will be furnished to them. For orders.

See note on linked file

Orders above. The Govt. of India have now been requested in this Dept. dtr 131149 J/50-11, dt 31.8.51 to arrange to depute a representative of the Bureau of Mines to inspect the ferromanganese bearing areas & to prepare plans for working the ores to the best advantage so that applications might be invited on the basis of these plans and the area leased to parties best qualified to undertake the work. It was also intimated to India that an enquiry is being made regarding the scheme of ~~Messrs~~ Sri V. Ramakrishna, I.C.S (Retired) — vide X ante p. 17 cf. Please see the orders at A ante p6 above, also. A Draft letter and a draft Memo. are subs

(Issued as dr. No 3387/3 Plans/51-6, dt 20.9.51

(Issued as Memo No 3387/3 Plans/51-7, dt 20.9.51.

From Messrs The K.C.P. Ltd., Madras dtd. 8/11.2.52

Notes on pp. 5-7 above which explains the proposal in this file may be perused. The entire qu. of setting up a ferromanganese industry in Madras State depends on the decision to be taken in the file relating to the grant of mining leases in the Sandur area which is separately under consdn. in Dev. 'J' section.

Messrs K.C.P. Ltd., Madras have now stated that they are prepared to undertake the manufacture of ferromanganese by the Low Shaft Blast Furnace process along with one Messrs Daido Steel Co. Ltd. Japan on a partnership basis. They propose to put up a plant to manufacture 25000 tons of ferromanganese per annum, alongside the proposed Cement factory at Kurnool. The proposal to link both the Cement industry and the ferromanganese industry at the same place, it is stated, will reduce coal consumption of the combined plants by about 200 tons per day. They estimate the capital of the project at Rs. 50/- lakhs out of which, it is reported, 49% will be provided by the Japanese Associates - if the Govt. of India have no objection to their participation. They don't anticipate any difficulty in raising the reqd. capital for the purpose.

In this connexion, Messrs The K.C.P Ltd have requested for the grant of a mining lease for the manganese ore in the Sandur region over an area which would be sufft. to cater them for 50 years at the rate of 60,000 tons of ore per annum. The Mg. Director of the Company is prepared to discuss any further points with the Secy. It is seen that the Company has put up a very sound proposition. Perusal is requested in this connexion to India's letter on p. 13 cf wherein India have asked for the details of scheme, if any, submitted by Mr. Ramakrishna. However, as stated at M above, the entire qu. of setting up a ferromanganese industry in this State is based on the decision to be taken in the file relating to the grant of mineral concessions in the Sandur area. In the

circumstances, it is for consdn.

(i) whether the letter on pp. 35-36 cf. recd. from Messrs The K.C.P. Ltd, Madras relating to their proposal to set up a ferromanganese plant in Kurnool Dt. will be commended to India

or

(ii) whether this may continue to lie over till a final decision is reached in the file relating to the grant of mining concessions in the Sandur area which is separately under consdn in Dev. I section.

for orders.

Received 19.2.52

Through J

F. 21/2/52

19.2.52

"With reference to 'x' on p8 above, it is submitted that ~~the question~~ [it has not been decided] as to which party, the area now held by the General Sandur Mining Co., should be leased. The starting of a ferro-manganese industry ~~in this~~ depends on the availability of this area. As Govt. of India have been informed of the action that is being taken by this Govt. regarding the lease of this area, the present scheme of Sri V. Ramakrishna need perhaps not be reported to the Govt of India at this stage. This may lie over till the party to which the area is to be leased, if is finally decided. For orders.

Note from p 8 above.

For orders
21/2/52

Rec'd. in

21.2.52.

I remember, it was proposed to lease the land to the Ruler only if he can satisfy us that he can produce ferro manganese - In the meanwhile this scheme can be reported to Govt of India for their views

Thro J see

Orders above. Draft subd.

24.2.52.

20/2/52

IV

Issued as Govt. Memo. 33873 Pers.III/51-11, dt. 29.2.52. p37 cf

Development Department(J)

Extract of Secretary's remarks in the file bearing C.No.131149 J/50.

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x x x

Has not Mr.Ramakrishna submitted a proposal to produce ferro manganese - we may ask him to give us further details of the actual project so that we know he is in earnest

A

SECTION ASSISTANT SECRETARIAT 11 1952

x x x x

J.M.L.P 11/3/52.

Dev 27692 Pers.III/52

(True copy)

K. N. Ranganwami
Superintendent
11/3/52

J.

P & D III

Secretary's query at A above; extracted from 'J' Section file 131149/50:-

Sri. V. Ramakrishna of Messrs The K.C.P. Ltd. has already subd. details of his proposals in his letter dt. 11.2.52 for the setting up of a ferromanganese project in this State. and his letter has been forwarded to India for their views. vide p.37 cf. Pending receipt of comments from India on the proposals of Sri. Ramakrishna, it is for consdn. whether it will be considered necy. to ask for further details of the project from him. for orders.

pp 35-36 cf

p 37 c.f

Through 'J'

13.3.52

Pending India's reply to our letter on p. 37 c.f., Sri Ramakrishna may be asked to furnish further details of the project.

14/3/52

15/3/52

S 13/3

Orders on p. 10 above. Draft letter is put up.

Issued as Lr. No. 8357/3/Prom)51-11, 8/29.2.52.

The file deals with the proposal of Sri. V. Ramakrishna I.C.S (Retired) for the manufacture of ferromanganese in the Sandur area. The examination of his proposals was ordered to be held up, pending a decision on the question of grant of a mining lease to the various applicants over the area. This qu. of granting a mining lease in the Sandur region is still under consdn of the Govt. It is not likely that Sri. V. Ramakrishna will be granted a lease. The person to whom the lease will be granted will naturally come up to Govt. with specific proposals in this regard and they may, perhaps, be examined as and when they are recd. It does not seem necy to keep this file pending. The papers may, perhaps, be recorded.

Thro' J

3.9.52

Recd in Cell

5/9/52

5/9/52

S

Is in linked file

6/9

Orders above. It has been ordered in the linked file that a copy of the Scheme in this file for the manufacture of ferromanganese may be forwarded to India. It is Subd. that the Scheme Subd. by Sri. V. Ramakrishna in this file has already been forwarded to India – vide letter on p. 37 ante. For orders whether the papers may now be recorded.

GO Ms 4027 Dated 17.9.52

Industries - ferromanganese industry - Starting of - Proposals of Sri V. Ramakrishna, I.C.S (Retired) - Papers recorded.

AS III

17/9/52

S. 16/9